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Ministerio de Hacienda.

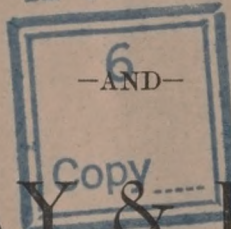
CORRESPONDENCE

BETWEEN

SEÑOR DON JOSÉ A. GODOY,

CONSUL OF MEXICO,

5075S
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HOLLADAY & BRENHAM,

AGENTS OF THE

CAL., OREGON & MEXICO S. S. COMPANY.

San Francisco, March 30th, 1869.

SAN FRANCISCO :

M. D. CARR & CO., Printers,

1869.

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SAN FRANCISCO, Febrero 27 de 1869.

SRS. HOLLADAY Y BRENHAM, Agentes de la
Compañía “California, Oregon y México.” Presentes.

El Sr. Ministro de Hacienda y crédito público del Gobierno de México, me dice con fecha 25 del próximo pasado lo que sigue :

“Secretaría de Estado y del Despacho de Hacienda y crédito público. Seccion 5^a.

“Con esta fecha digo al Agente en este capital, de la compañía “California, Oregon y México,” lo que sigue :

“ ‘Ha examinado el C^o Presidente de la República en junta de Ministros, todos los antecedentes relativos al contrato celebrado por el Supremo Gobierno con D. Juan A. Robinson, representante de la Compañía de Vapores titulada “California, Oregon y México,” en 28 de Diciembre de 1867, para el establecimiento de vapores correos en el mar Pacífico, y de tal exámen resulta justificado ;

“ ‘1^o. Que el establecimiento de los espresados vapores no ha correspondido al principal objeto que el Supremo Gobierno se propuso al celebrar el contrato, que fué el de la proteccion al comercio, pues la linea de vapores ha funcionado con tal irregularidad que ni un solo buque ha llegado á Mazatlan en el tiempo convenido, como consta de la comunicacion que el Comandante de Marin del Sur, dirigido á la Sría de Guerra el dia 30 del último Noviembre ;

“ ‘2^o. Que con frecuencia los vapores de la linea han dejado de traer la correspondencia de San Francisco ó no la han tomado en Mazatlan para los puertos de San Blas, Manzanillo, y Acapulco faltando de esta manera á otro de los principales objetos que se prepuso el Supmo. Gobierno cuando celebró el contrato;

“ ‘3^o. Que la compañía ha faltado al cumplimiento de la cláusula adicional del contrato espresado, conforme à la cual contrajo la obligacion de entregar al Gobierno Gral en propiedad un buque fuerte y bien acondicionado con todo lo necesario, en buen estado de uso, y con maquinaria de fuerte

potencia, debiendo tener dicho buque, quando ménos el porte de mil toneladas, cuya entrega debió verificarse á los sesenta dias contados desde el en que saliese de San Francisco, California, el primer vapor de la linea, pues que si bien la compañía remitió á Mazatlan el buque llamado 'Viejo Panamá,' con objeto de llenar la espresada condicion; ese vapor, segun desde luego informaron el Gefe Politico de la Baja California y el Comandante de Marina del Sur, tenia mas de cuarenta años de construido, averiados sus fondos y muy delgada su cubierta de cobre, de lo que resultó que era de todo punto inútil, y apareció, ademas, que la artillería con que estaba armado fué la de una fregata rusa que naufragó en la costa de la Alta California, permaneciendo abandonada dicha artillería en la playa casi por ocho años;

“4º. Que la irregularidad en los viajes de los buques de la compañía ha sido aun mayor en los últimos meses por haber variado de propia autoridad, la salida de los que debian partir de Mazatlan para Acapulco, que debiendo haberlos verificado cada quince dias, la compañía determinó que se hicieran cada veinte, variando asimismo, el porte de los buques de esta carrera, reduciéndolo á trescientas toneladas, cuando estaba convenido que seria de quinientas;

“5º. Que la falta de cumplimiento de la cláusula adicional al contrato, relativa á la entrega del vapor, segun lo espresamente pactado, ha dado lugar á la nulidad del contrato;

“6º. Que esta nulidad se ha hecho mas patente desde que la misma compañía ha notificado al cónsul de la República en San Francisco, con fecha 2 del presente mes, que suspende los viajes á que estaba obligada por el contrato de 28 de Diciembre de 1867.

“Y teniendo en consideracion el Cº Presidente, que por los graves fundamentos que quedan expresados y que demuestran evidentemente, que la compañía ha quebrantado en su mayor parte las condiciones que se impuso y bajo las cuales el Supremo Gobierno se sirvió otorgarle la concesion, ha tenido á bien acordar, que por esta Secretaría se haga la solemne declaracion, como en efecto se hace por la presente; de haberse roto y nulificado para lo sucesivo el contrato referido celebrado con la compañía de vapores correos “California, Oregon y México,” dejando el mismo Supremo Go-

bierno á salvo los derechos que le competen para reclamar de la repetida compañía todos los gastos, daños y perjuicios que ha ocasionado por la falta de cumplimiento del mismo contrato.—Lo que comunico á V. de orden suprema, para que como Agente de la relacionada compañía California, Oregon y México, lo ponga en su conocimiento.”

““Y lo traslado á V. para su inteligencia, y á fin de que lo haga saber á los Agentes de la compañía en ese puerto.””

Y tengo el honor de transcribirlo à V. en cumplimiento de la suprema orden inserta.

Soy de Vs. muy atento y seguro servidor,

JOSE A. GODOY,
Consul de México.

OFFICE, CAL., OREGON AND MEXICO STEAMSHIP Co., }
San Francisco, March 30th, 1869. }

Señor DON JOSÉ A. GODOY,

Consul of Mexico, San Francisco:

SIR: We have received your letter of February 27th, 1869, transmitting to us that which the Minister of the Interior and of Public Credit of the Government of Mexico, wrote to you under date of the 25th of January, 1869. In order that we may not be supposed, by our silence, to admit in any degree the truth of the charges contained in that communication, we shall take the liberty of replying to them in detail.

First—It is said that the establishment of said steamers has not carried out the principal object which the Supreme Government had in view in making the contract—which was the protection of trade—as the line of steamers has worked with so much irregularity, that not even a single vessel has arrived at Mazatlan at the appointed time, as appears from the communication addressed by the Comandante of the Marine of the South to the Secretary of War, on the 30th of November last.

No copy of this communication was furnished to us. We speak of it as we saw it in a Government paper. The charge is, in brief, that our line has failed to protect commerce, by reason of the irregularity of the ar-

rival of our steamers at Mazatlan, the latter being the only specification in support of the general charge. Now, this specification could have been proved, if true, by the books of the Custom House, at Mazatlan, and by those also of the Comandante of Marine, who makes this broad assertion. We appeal to those books and to the logs of our steamers, to show that in no single instance, was there any irregularity in the arrivals, and, we will add, in the departures, of the steamers, which was not due to such stress of weather or breakage of machinery, as excused it by the very terms of our contract (Article 10 of Contract.)

In only one instance did the steamer for Mazatlan fail to leave San Francisco at the appointed time, and that was when the sea on the bar of this port was too rough for passage. In one other case, our steamer "Ajax," left this port in time, but meeting with an accident to her boilers, when eight hours out, she returned for repairs, was repaired, and resumed her trip with a total detention of only forty-eight hours. In only two instances did the steamer from this port fail to reach Mazatlan on the regular day; and one of these was when the steamer was detained by bad weather, and the other was when it went by way of San Blas, as it might do, according to the terms of the contract.

The steamer between Mazatlan and Acapulco ran with equal regularity, whenever the weather permitted; with all the regularity which the terms of the contract required, for that excepted the delays which might be caused by adverse weather, and breakage of machinery.

In support of our statement, we refer to the letters of Captain Thomas K. Porter, (Exhibit A, No. 1,) and of W. J. Bryan, Superintendent of our steamers, (Exhibit A, No. 2,) and to that of Mr. R. Pacheco, Agent of the Company at Mazatlan, (Exhibit B,) as well as to the steamers' logs, and to the Custom House books, and those of the Comandante above referred to.

We do not hesitate, therefore, to pronounce the specification wholly untrue, and the charge which rests upon it, wholly unfounded. If commerce was not protected, it was not by reason of the irregularity in the arrival or departure of the Company's steamers.

We might ask what the Mexican Government has done for the protection or promotion of commerce, or even for the enjoyment and security of its own rights, and the procurement of correct reports, in accordance with the terms of the contract. Has it ever appointed, or placed on any of the steamers, an agent or registers of its own, in conformity with the 4th Article? Has it ever addressed any communication to the Company, of complaint or requirement, or information, prior to the one we are now answering? Has it availed itself of the privilege given it in Article 15? Has it ever had an agent of its own, in charge of its own mails, the carrying of which from one port to another, says the Comandante of the Marine of the South, is the only benefit to be derived from the line?

Even for the care of the mails of the country, on board of these ships, the Government has availed itself of the gratuitous services of the Pursers of the Company, while failing to appoint and place on board, its own agents, as contemplated and provided for, in the 4th Article.

Second—It is alleged that our steamers have frequently omitted to bring the correspondence from San Francisco, or have not taken it aboard at Mazatlan, for the ports of San Blas, Manzanillo and Acapulco; failing in this respect, to fulfil one of the principal objects, which the Government had in view in making the contract.

This, we assert, happened once only, on the line from San Francisco, and then not by the fault of the Company, but of the Government; on the authority of Mr. Pacheco's letter, above referred to, (Exhibit B,) we say, it never occurred on the line from Mazatlan to Acapulco. The charge of frequency of omission, relies on a specification by the Comandante of Marine of the South, of omission, on the trip of the 17th of November, 1868, to bring the mail from San Francisco, and to take it from Mazatlan to Guaymas and La Paz. It is not alleged that the mail was offered and refused, that it was put on board, or tendered, or that in any way, the ship or the Company became responsible for its carriage and safe delivery; but that simply, the ship made its trip without it. Now, the Company by the Third Article of the contract, simply bound itself to carry gratis,

all letters, official dispatches and packages, that should be sent on board by the postmasters, at the different Mexican ports, the steamers should touch at; and in the First Article, proposed in general terms, as one of its objects, to carry the Government mail, as well as the correspondence of private individuals, also passengers, treasure, minerals, merchandize, and freight of every description. It was no part of its undertaking to seek the mails and bring them on board, nor to drum up the postmasters, or other Government agents, or in any way remind them of their duty.

The 4th Article bound them to give free passage in the first cabin, to an agent of the Government, for the purpose of attending to the mail and custom-house business. It is not pretended that any such agent was ever appointed, much less that the Company refused to accord him the right of free passage.

As we have already stated, the Company went so far as to allow its ship's Purser, in addition to their onerous duties in that capacity, to do gratuitously the service of mail agent to the Mexican Government, in receiving, guarding and delivering the Mexican mails on its ships, and the Purser, in some instances, pushed their complacency so far as to go after the Mexican officials for the receipt or delivery of their mails, instead of waiting for them to deliver or claim them on board.

On the trip referred to, there was, by illness and death, a change of officers, and the new one had no idea that the Mexican officials relied upon him to remind them of their duty. Hence the one failure, magnified into a frequency of omission in the second charge of the Government.

Third—The third charge is, that the Company have failed to fulfil the additional clause (the 17th Article) of the said contract, by which they bound themselves to deliver to the general Government, as a present, a strong vessel, well conditioned, with everything necessary, in good order, and with powerful machinery; said vessel to be at least of a thousand tons burthen; the delivery of the same to take place within sixty days after the date of the sailing of the first steamer of the line from San Francisco; that in place thereof the Company sent to Mazatlan the vessel called "*the old Panama*,"

with the object of fulfilling the above conditions; that this steamer, as the Government had been informed by the Political Chief of Lower California, and the Commander of Marine of the South, had been built for more than forty years; that its floors were damaged and its copper very thin, the result of which was that it was entirely useless; that it appeared, moreover, that the cannon with which she was armed, were those of a Russian Frigate, ship-wrecked on the coast of Upper California, which cannon had remained abandoned on the beach for nearly eight years.

Now, the facts are, that the ship referred to, formerly called the "Panama," was built in the year 1848, for a man-of-war, under the supervision of the Government of the United States; was of more than 1.000 tons burthen; that her engine and boilers were in good condition, and she was capable of making more than ten knots an hour; that her sister ship, the "Oregon," was recently opened in this port, and found to be in good condition, her timbers outside, and inside, well preserved; that the "Panama," there is every reason to think, was in equally good condition; that she showed no sign of straining or working in her hull, that her copper was good and would last for years; that her decks had been recently caulked and were in fine condition; that she had in her armament, two 30 pounder new Parrot guns, of modern style, and four 12 pounder long guns, purchased in New York; that in every particular, the Company complied with the terms of the 17th Article of their contract and in many respects, exceeded its requirements.

In support of our assertions, we offer the Certificate of R. H. Waterman, United States Inspector of Hulls, for District No. 1, State of California, (marked C.); of C. Wilson, Port Warden of the Port of San Francisco, (Exhibit D.); of Amos Noyes, Marine Surveyor for the American Lloyds Register, (Exhibit E.); and the letter of R. Pacheco, already referred to as Exhibit B.

If we compare the course of the Government, with that of the Company, in reference to this ship, we find, according to the letter of Mr. Pacheco, the Government delaying to receive the vessel, or to provide for her safety, long after she was tendered, and found satisfactory; thus entailing on the

Company a considerable expense, the greater part of which the Government refused to pay.

Fourth.—This charge, literally translated, is as follows: “That the irregularity in the trips of the vessels of the Company, has even been greater these last months. They, on their own authority, having changed the days of departure of those plying between Mazatlan and Acapulco, which should take place every fifteen days. The Company determined on changing it to every twenty days; also, taking upon themselves to change the tonnage of the vessels on this route, reducing them to three hundred tons, when it was agreed upon that they should be of five hundred tons.”

We deny this charge, both as to the alleged change in the time of departure of the Mazatlan and Acapulco steamers, and as to their tonnage.

Fifth.—The Government says in the fifth place: “That the non-fulfilment of the additional clause of the contract relating to the delivery of the steamer, as expressly stipulated, has given ground for the nullity of the contract.”

We have shown in our answer to the third charge, how unfounded it was in every particular; and it therefore wholly fails to justify the conclusion of the nullity of the contract, set forth in the fifth sub-division of the communication of the Government.

If this charge is based on the lapse of more than sixty days before the tender of the “Panama,” we refer to our correspondence with you to show that such greater delay was in compliance with your orders as Consul, and in the interest of your Government. (Exhibits F, G, H, I, J, K, L.)

The sixth and last charge of this official communication, literally translated, is as follows :

Sixth.—“That this nullification is more apparent since the Company have given notice to the Consul of the Republic at San Francisco under the the date of the 2d of this month, that they have suspended the trips to which they were bound by the Contract of the 28th December, 1867. And the Citizen President, taking into consideration the serious charges that have been brought and which prove evidently that the Company have violated in their greater part the conditions they bound themselves to; and in consideration of which, the Supreme Government deigned to grant them concession; has thought fit through this office to make the solemn declaration which he does by these presents, that the said contract celebrated with the “California, Oregon and

Mexico Steamship Company," is for the future null and void, leaving the said Supreme Government free to reclaim from said Company all the expenses, damages and losses caused by the non-fulfillment of said contract. Which, by superior orders, I beg to inform you of—in order that as Agent of the California, Oregon and Mexico Company, you may lay it before them."

Inasmuch as the last sentence of the passage just quoted, and another sentence at the commencement of the communication, show that it was addressed originally by the Government to some supposed Agent of the California, Oregon and Mexico Steamship Company, at the Capital of Mexico, we take this occasion to say, that the Company had no Agent there at the time.

So far as the charges against the Company relate to matters anterior to our letter to you, of the 2d of January, 1869, (which we append as Exhibit M,) announcing the determination of the Company to suspend the trips, which, up to that time, had been made in conformity with the contract, and to confine itself, thereafter, to less frequent trips from this port to Mazatlan, we renew here our denial of their truth, and assert our fulfilment of our contract to the letter, and that, too, in good faith, and with every attention and courtesy. There were difficulties in our way, which the Government might have removed, and conditions, onerous to us, without being of advantage to the Government, which it might have released, or rendered more easy.

We had undertaken these trips without asking any other subsidy from the Government than that which should accrue to it from the business our ships themselves created. We imposed no burden on the National Treasury. Such an enterprise could but be beneficial to Mexico, and merited the support and encouragement of the Government. At the very time the Government was meditating the annulment of the contract for reasons we have shown to be founded on misrepresentations and errors, the Company determined to withdraw from it, because its burdens so far exceeded its profits, as to entail on the Company enormous losses. From the coasting service between Mazatlan and Acapulco, the

Company received no subsidy at all, so small was the business upon that route. All suggestions and solicitations for a change of time and of vessels on that route, by which the public would have been better accommodated, the service better made in connection with the San Francisco line, and the expenses of the Company reduced, were rejected. The Government has been indifferent and neglectful, some of its officers have been unfriendly, and we have no objection, under such auspices, to the annulment by the Government of its contract with us. But we protest against the charges made to justify it, as well as against all claim for damages, and we demand of your Government, a just appreciation of our course.

We have the honor to remain, very respectfully,

Your obedient servants,

HOLLADAY & BRENHAM.

Agents, Cal., Oregon and Mexico, Steamship Company.

Exhibit "A," No. 1.

SAN FRANCISCO, March 28th, 1869.

MESSRS. HOLLADAY & BRENHAM,

Agents C., O. & M. S. S. Co.,

GENTLEMEN: In reply to your inquiries, I beg to inform you that the steamers which I have commanded between this port and those of Mexico, have, to the best of my recollection, always left this port on their regular contract day, with but one exception, and that was when the bar was too rough to go out; and that they have always arrived at Mazatlan from this port on their regular day, with but two exceptions, one of which was when we were detained by bad weather, and the other was when we went by San Blas, which they had a right to do according to contract. Our arrivals were more or less regular, according to the despatch we received at the various custom-houses.

Very respectfully,

THOS. K. PORTER,

Commander of Steamship "Montana."

Exhibit "A," No. 2.

OFFICE CAL., OREGON AND MEXICO STEAMSHIP Co., }
 San Francisco, March 28th, 1869. }

MESSRS. HOLLADAY & BRENHAM,

Agents C., O. & M. S. S. Company,

GENTLEMEN: I hereby certify that the steamers of this Company, running to the Mexican ports, have always left this port regularly and promptly, according to the schedule and contract time with the government of Mexico, except in two instances, that of the steamer "J.L. Stephens," not being able to go to sea because of the roughness of the bar; and the steamer "Ajax" having met with an accident to her boilers after being at sea eight hours, was compelled to return for repairs, which detained her, in all, forty-eight hours.

Very respectfully,

W. J. BRYAN,

Supt. C., O. & M. S. S. Company.

Exhibit "B."

SAN FRANCISCO, March 20th, 1869.

MESSRS. HOLLADAY & BRENHAM:

DEAR SIR:—In accordance with your instructions, immediately upon the arrival of the steamship "Panama," at Mazatlan, on the 11th of June, 1868, I notified General R. Corona, the General in command of the Fourth Division, also Colonel Miranda y Castro, Commander of the Marine of the South, of the arrival, and that the steamer was at their disposition. I also urged them to receive the steamer as speedily as possible, upon the grounds of the great expense which it would entail upon the Company if left upon their hands. Both Gen'l Corona and Col. Miranda agreed that the examination of the "Panama" should take place immediately, although claiming at the same time that they were not directly authorized by the Government to receive the vessel. Accordingly, on the 17th of June, 1868, the Commander of the Marine of the South, together with those experienced in such matters, examined the vessel most thoroughly and critically in every particular, and at its conclusion, one and all expressed themselves well pleased with

the "Panama" and her condition. Two days subsequently to this examination, Col. Miranda showed me the report which he had made relative to the condition of the steamer; also that of the engineers, pilots, &c., all of which were highly favorable and satisfactory; the sole objection made was that the ship was unprovided with awnings. Almost daily I urged upon the General the necessity of relieving me of the vessel, for, as the rainy season was now at hand, and severe gales liable to occur at any time, we were compelled to keep up constant steam at great expense.

On the 11th of July, I wrote Gen'l Corona, (after having experienced a very severe gale,) demanding of him that the "Panama" should be taken off our hands at once, as we were running very great risks by keeping her at Mazatlan during the rainy season. I also recommended that she should be sent to Pichilingue, a harbor in Lower California, which was considered very safe, and that the expense incurred in taking her thither should be allowed by him. To all this he agreed without hesitation, stipulating only that for the present she should still retain the American flag, as upon account of some difficulty between the "Chanticleer," the English Man-of-war in the harbor, and the Custom House Officials, he feared if the Mexican colors were hoisted, the vessel would be seized by this man-of-war. The "Panama" proceeded to Pichilingue, and after her departure, I presented to Gen. Corona the bill of expense incurred by her while in Mazatlan, a portion of which was allowed. The bill presented was \$2,562.57, out of which Gen. Corona ordered to be paid \$1,153 48 on account. The remainder I found it impossible to collect, the authorities refusing to allow or pay anything further; and I learned subsequently from Gen. Corona that considerable displeasure was manifested upon account of his having authorized even this partial payment. In Company with Gen. Corona, I called upon Col. Miranda, and requested him to receive the "Panama" at once, as he, Miranda, having received orders to accept her, and having expressed himself perfectly satisfied as to her condition, etc., there was now no reason for further delay. He utterly refused to accept her until such time as he was provided with money from the government to equip her with a crew, etc. He also refused to

approve any further payment of the expenses incurred by the "Panama," though directed to do so by Gen. Corona.

With regard to the irregularity, in the trips of the vessels of the Company, I state most emphatically, that the trips of the 2d line of steamers, from Mazatlan to Acapulco, were made with all possible regularity, failing only to reach their destined ports at appointed time, when delayed by adverse weather or like causes, over which no control could possibly be exercised. As to the statement of the Commander of the Marine of the South, that not even one single vessel arrived at Mazatlan at the appointed time, I deny this, most unhesitatingly, and I cannot conceive why this totally untrue, and most ridiculous statement, should have been made by the Commander of the Marine of the South; for we can prove with the greatest ease, both by his own books, as well as the Custom House documents, that, unless from causes heretofore stated, our steamers were regular in the extreme, both in their arrivals and departures; any variation from appointed time, was owing wholly to the weather, which during a portion of the season at least, was, as all accounts from the Mexican Coast prove, more severe than for many years before. It was expressly stipulated, in the contract between the Government of Mexico and the Company, that the latter should not be held responsible for delays, occasioned by the weather, but this, it seems, has been entirely overlooked in the unfavorable reports of the Commander of the Marine of the South.

It is also stated, that frequently the steamers of both lines omitted to carry the mails between the different ports. This never happened on the steamers of the 2d line, between Mazatlan and Acapulco.

The change of which we are accused, viz: running the steamers between Mazatlan and Acapulco every 20 days, instead of every 15 days, WAS NOT MADE, for up to the time of the entire withdrawal of the 2d line, they continued to ply regularly between these ports, every fifteen days, save when delayed by unfavorable weather or accidents.

Yours Respectfully,

R. PACHECO,

Agent California, Oregon & Mexico Steamship Company
at Mazatlan.

Exhibit "C."

This instrument may certify that the undersigned, the United States Inspector of Hulls for District Number 1, in the State of California, was called upon by Messrs. Holladay & Brenham, agents of the California, Oregon and Mexico Steamship Company, to hold a survey upon the American steamship "Panama," while undergoing repairs in this port. I found her in good condition, and able to perform any voyage, and entitled to my certificate of sea-worthiness.

I was present daily while the repairs upon her were being made, and had good opportunities of examining her hull, which I found generally sound and strong. She was well fitted out, her machinery and boilers were good; her armament was good and sufficient, and *I consider her a first-class war vessel.*

R. H. WATERMAN,

United States Inspector of Hulls.

San Francisco, Cal., March 30, 1869.

Exhibit "D."

The undersigned, one of the Port Wardens for the port of San Francisco, hereby certifies that he measured in this harbor, March 24, 1868, the steamship "Panama," and that said vessel measured, according to his certificate, extended under that date, one thousand, one hundred and fifty-nine, and 08-100 Mexican tons; that she was then in a good and sea-worthy condition, well equipped, and supplied with sails, rigging, anchor, boats, etc.; she showed no signs of straining, her metal sheathing being at that time in good order, and not wrinkled. The "Panama" was built in New York, A.D. 1848, by W. H. Webb, of the best materials, with solid floor, and diagonally braced on frame, under the superintendence of the United States Government, as was also the steamship "Oregon," both being built at the same time, and for the same purpose, namely, that of carrying the United States mail on the Pacific Coast. The "Oregon," now lying in this harbor, has been recently converted into a sailing ship; she has been opened in many places, both inside and outside, and found strong and sound everywhere—it is therefore but just to pre-

sume that the "Panama" was just as good a vessel, and would last, for ordinary service, a number of years. She was coppered the last time at Mare Island, in the year A.D. 1865, on the Government dock. Her machinery and boilers were examined by the United States Boiler Inspector, before leaving this port, and pronounced by him in good order.

The armament of the "Panama" consisted, on her departure from here, of two new rifled "Parrot's" cannon, purchased from the Pacific Mail Steamship Company, and four smooth-bored "Dahlgren" cannons that were sent out from New York, via Panama. She was also well-supplied with small-arms, and had about eighty-tons of coal on board. The cannons of the stranded Russian steam corvette "Novik" are still in the possession of Mr. Charles Hare, in this city; they are large old-fashioned thirty-six pounders, smooth-bore.

I also certify that I measured the steamship "Gussie Telfair," March 18, A.D. 1868, and found her to be five hundred and sixty-two and 40-100 Mexican tons, and that I surveyed, by request of the Mexican Consul, José A. Godoy, the steamship "Continental," August 8th, A.D. 1868, and the steamship "Sierra Nevada," August 18th, A.D. 1868, and found them to be in good order and well provided with everything requisite to an ocean-going steamship.

C. WILSON, Port Warden.

SAN FRANCISCO, March 27, A.D. 1869.

To Messrs. HOLLADAY & BRENHAM, Agents California, Oregon and Mexican Steamship Co.

Exhibit "E."

SAN FRANCISCO, March 25, 1869.

MESSRS. HOLLADAY & BRENHAM,

Agents Cal. O. & M. S. S. Company:

GENTLEMEN: As Marine Surveyor I have known the steamship "Panama" for ten years. She was built at New York at the same time that the steamship "Oregon" was built, and of similar materials and workmanship. She had a solid floor, was diagonally cross-braced with iron on the inside of the frames, and up to the time she left here she showed no signs of straining. The yellow metal sheathing was smooth, and she was kept in good order.

The steamship "Oregon" has recently been opened, the boiler and machinery taken out, giving every one an opportunity to inspect her thoroughly, and we are all satisfied that she is sound, and will last for many years more, and the "Panama" was always considered as good as the "Oregon."

I am, very respectfully, your obedient servant,

AMOS NOYES,

Marine Surveyor for American Lloyds Register.

Exhibit "F."

SAN FRANCISCO, Marzo 26 de 1868.

SRS. HOLLADAY Y BRENHAM, Agentes de la

Compañía de Vapores "California, Oregon y México."

MUY SRS. MIOS: Conviene al mejor servicio de la República de México, que antes de disponer Vs. el envío á Mazatlan, conforme al contrato celebrado por el Supremo Gobierno con la compañía que Vs. representan, del vapor montado en guerra que la misma compañía está obligada á entregar, se sirvan avisarme, para disponer lo que yo juzgue conveniente de acuerdo con las circunstancias y las instrucciones que he recibido.

Soy de Vs. muy atentos seguros servidores,

JOSE A. GODOY.

Exhibit "G."

OFFICE CAL. OREGON AND MEXICO STEAMSHIP CO. }
SAN FRANCISCO, March 26, 1868. }

DEAR SIR:—In reply to yours of this date, we propose to send the war steamer to Mazatlan, to be delivered to the Mexican Government, according to contract, on the 2d of April.

We will, however, make the departure of the steamer subject to your orders.

Please advise us of your wishes on the subject.

Respectfully,

[Signed.]

HOLLADAY & BRENHAM.

Señor DON JOSE A. GODOY, Mexican Consul,
San Francisco.

Exhibit "H."

SAN FRANCISCO, Marzo 27 de 1868.

SRS. HOLLADAY Y BRENHAM, Agentes de la

Compañia de "California, Oregon y México.

MUY SRS. MIOS : Conformes Vs. en esperar mi órden para disponer la salida del vapor montado en guerra, que segun contrato debe entregar la compañia que Vs. representan al Supremo Gobierno de la República de México, ofrezco á Vs. que despues de la salida del "Montana," tendré el honor de comunicarles la resolucion que á nombre del mismo Gobierno he tomado.

Soy de Vs. muy atento seguro servidor,

JOSE A. GODOY.

Exhibit "I."

OFFICE, CAL., OREGON AND MEXICO STEAMSHIP CO., }
San Francisco, March 27th, 1868. }

DEAR SIR: We beg leave to call your attention to the fact, that no ammunition is provided for in the contract for the war steamer, to be sent to Mazatlan. Being desirous that the vessel should be ready for immediate use to the Mexican Government on her arrival at that place, we are willing to facilitate the purchasing of a moderate supply of ammunition for the cannon, as well as for the breech-loading muskets and pistols; also for coal, which is not provided for in the contract.

Should you think proper to order the same to be paid for on the arrival of the steamer at Mazatlan, by the Mexican authorities at that port, we will at once take steps for providing them.

During the transportation of the same from this place to Mazatlan, they would be, of course, at the risk of the Mexican Government.

Awaiting your answer, we are, respectfully,

Your ob't serv'ts,

(Signed,)

HOLLADAY & BRENHAM.

Señor DON JOSÈ A. GODOY,

Mexican Consul, San Francisco.

Exhibit "J."

SAN FRANCISCO, Mayo 4 de 1868.

SRS. HOLLADAY Y BRENHAM, Agentes de la

Compañia "California, Oregon y México." Presentes.

MUY SEÑORES MIOS : Habiéndose establecido en el Estado de Sinaloa, el orden alterado por el general Martinez, pueden Vs. mandar el buque montado en guerra, que segun la cláusula 17^a adicional del contrato celebrado con el Supremo Gobierno de México, se comprometió la compañía que Vs. representan, á entregar al mismo Gobierno en el puerto de Mazatlan.

Soy con la debida consideracion de Vs. muy atento servidor,

JOSE A. GODOY,

Cónsul de México.

Exhibit "K."

OFFICE, CAL., OREGON & MEXICO, STEAMSHIP Co., }
SAN FRANCISCO, MAY 7th, 1868. }

DEAR SIR:

We have the honor to acknowledge your favor of the 4th inst., stating that we may send the War Steamer, designed for the Mexican Government, to Mazatlan.

As the steamer leaving here on the 1st of June, has much more power, and can, with greater safety, tow the "Panama" to Mazatlan, we would greatly prefer, and esteem it a special favor, if you will defer the departure until that time.

Please let us know if this will meet with your concurrence.

Respectfully,

(Signed)

HOLLADAY & BRENHAM,

Agents.

Señor Don JOSÉ A. GODOY,

Mexican Consul, San Francisco.

Exhibit "L."

SAN FRANCISCO, Mayo 8 de 1868.

SRS. HOLLADAY Y BRENHAM,

Agentes de la Compañia de Vapores

"California, Oregon y México," San Francisco.

MUY SEÑORES MIOS : He recibido la nota de Vs. fecha de ayer,

en que me manifiestan lo conveniente que seria que el envio del buque montado en guerra, que deben entregar al Supremo Gobierno de México, se efectue el 1^o. del entrante Junio, que sale de aquí un vapor de bastante fuerza, y que ofrece seguridad para remolcar el buque á que me he referido. En contestacion, tengo el honor de decir á Vs. que, considerando fundada esa razon, que es la misma que me dió el Sr. Holladay al venir á verme al Consulado, no encuentro inconveniente, en que se difiera la salida del buque montado en guerra, hasta el 1^o. de Junio.

Soy de Vs. muy atento seguro servidor,

JOSE A. GODOY,

Cónsul de México.

Exhibit "M."

OFFICE, CAL., OREGON AND MEXICO STEAMSHIP CO., }
San Francisco, January 2d, 1869. }

SIR: We are instructed by the President to inform you, and your Government through you, that this Company must and will discontinue running their steamers under the contract, as entered into with the Supreme Government of the Mexican Republic, approved December 28th, 1867.

The very heavy losses sustained, and likely to continue, prompt us to this course.

In future, we propose to run one steamer—the “John L. Stephens”—as formerly, to San Blas, Mazatlan, La Paz and Guaymas, every thirty or forty days, conveying the United States mails, free of charge, and affording to the Government and the people of Mexico, every facility, favor and accommodation in the power of this Company. Of this you can rest assured, and we beg the favor that you will give this assurance to your Government.

Respectfully,

HOLLADAY & BRENHAM,

Agents.

To Señor Don JOSÉ A. GODOY,

Mexican Consul, San Francisco.

Exhibit "N."

CONTRATO

CELEBRADO ENTRE EL SUPREMO GOBIERNO DE LA REPÚBLICA MEXICANA Y LA COMPAÑIA "CALIFORNIA, OREGON Y MÉJICO STEAM SHIP COMPANY" DE SAN FRANCISCO, PARA EL ESTABLECIMIENTO DE DOS LÍNEAS DE VAPORES-CORREOS EN EL MAR PACÍFICO Y GOLFO DE CALIFORNIA.

Secretaría de Estado y del Despacho de Hacienda y Crédito Público.—Seccion 5ª.—Dí cuenta al C. Presidente de la República con el ocurso de vd. de hoy, en que pide el Supremo Gobierno que con las modificaciones que hace de los artículos 3.º y 5.º de las propuestas que tiene presentadas á nombre de la Compañía "Oregon & México," se sirva aprobar el contrato para el establecimiento de dos líneas de vapores; y el mismo C. Presidente se ha servido acordar, que con las indicadas modificaciones á que se refiere vd. en su citado ocurso, y con la de que la subvencion será pagada por el Supremo Gobierno por solo cuatro años, quedan aprobadas las propuestas de los interesados, de cuyo contrato remito á vd. una copia con las modificaciones referidas, para que firmado que sea por vd. en representacion de la citada Compañía, se sirva de volverla á este Ministerio.—Independia y Libertad. México, Diciembre 24 de 1867.—*Iglesias*.—C. Juan A. Robinson.—Presente.

Propuestas que presenta al Supremo Gobierno de la República Mexicana, la Compañía de vapores "California, Oregon & México Steam Ship Company," de San Francisco.

Primera. La Compañía establecerá una línea de vapores Americanos, que correrá entre los puertos del golfo de California y el de San Francisco de la Alta California, cuyos buques saldrán de este último puerto cada veinte dias, arribando á Mazatlan, Guaymas y La Paz. Tocando otra vez en Mazatlan, regresarán al puerto de su salida, llevando la (Mala) correspondencia del Gobierno y la de los particulares, así como pasajeros, caudales, minerales, mercaderías y flete de todo especie. Tocarán igualmente estos vapores á los puertos

que en lo sucesivo sean habilitados para el comercio; pudiendo tambien tocar en alguno de sus viajes en él de San Blas cuando así conviniera á la Compañía. Los vapores de esta línea serán, quando menos, de mil (1000) toneladas de porte, bien acondicionados, tripulados y mandados.

Segunda. La citada Compañía establecerá otra línea de vapores Americanos para hacer la carrera entra los puertos de Mazatlan y Acapulco, tocando los demas del tránsito, con el fin de llevar la (Mala) correspondencia del Gobierno y de los particulares, pasajeros, caudales, minerales y mercaderías de toda especie; cuya línea saldrá del puerto de Mazatlan cada quince dias, haciendo así dos viajes cada mes; tocando en San Blas, Manzanillo, Acapulco y puertos que estén abiertos al comercio, y volverán á Mazatlan, tocando en los mismos ya mencionados. Los vapores de esta línea no serán menos de quinientos (500) toneladas, y mandados por capitanes competentes, de capacidad y experiencia.

Tercera. La mencionada Compañía ofrece lleva en ambas líneas, los soldados, oficiales y agentes del Gobierno mexicano, cuando así fuere necesario por qualquiera circunstancia, con sus equipajes y pertrechos de boca y guerra, por una tercera parte del precio que pagarian los particulares en casos iguales. Todas las cartas, oficios y bultos despachados por las administraciones de correos de los diferentes puertos de la República adonde tocan los dos líneas de vapores, serán trasportados grátis por la Compañía. El Gobierno tiene el derecho de fijar las tarifas del correo, y de percibir su importe, como renta suya.

Cuarta. Un agente del Gobierno tendrá su pasaje grátis en primera cámara, en los vapores de ambas líneas, con el fin de atender al cuidado de la correspondencia y asuntos aduanales. Este agente será portador de un registro que visarán en cada viaje los agentes del Gobierno en los diferentes puertos donde recalán los vapores de ambas líneas. En este registro se firmarán los recibos de las balijas que contienen la correspondencia, y los agentes del Gobierno mexicano certificarán en el mismo registro que el servicio ha sido desempeñado con arreglo al contrato. Tendrá tambien el agente otro registro, donde los pasajeros pueden formular sus quejas por escrito, contra la Compañía.

Quinta. En consideracion á los crecidos gastos que tiene que erogar la Compañía, así como tambien de los servicios que prestará facilitando el trasporte de la (Mala) correspondencia del Gobierno, la de los particulares, y demas operaciones que tengan relacion con los intereses de la República de México, que ofrece desempeñar, tanto en la primera línea cada veinte dias, como en la segunda cada quince, solicita del Supremo Gobierno un subsidio en la forma siguiente: Per cada viaje redondo de la primera línea, que finalizará en el puerto de Mazatlan, la suma de (\$2,500) dos mil quinientos pesos fuertes; y por cada uno de los de la segunda línea, que tambien finalizará en Mazatlan, la de (\$1,000) mil pesos fuertes. Este subsidio en ninguna manera será gravoso al erario nacional, porque la Compañía pide que su pago se verifique exclusivamente con los propios recursos que recibe el Gobierno, procedentes de las dos líneas de vapores, que son: los derechos de importacion y exportacion que causen los efectos á su entrada y salida de los puertos, en cada viaje redondo; en el concepto de que, si por un evento no alcanzaren los derechos en alguno de los viajes redondos, para cubrir las sumas dichas, del resto que falte, no se pedirá el pago, y de que la subvencion mencionada se pagará solo en los primeros cuatro años de este contrato.

Sexta. La repetida Compañía pide al Supremo Gobierno la permita poner á bordo de los vapores, libre del derecho de exportacion, el dinero que reciba por dicho subsidio y los valores que le sean pagados en los puertos por pasajes y flete; para lo cual se obliga á presentar en cada viaje una noticia circunstanciada, acompañada de los conocimientos de embarque, lista de pasajeros, y de lo que cada uno de estos haya pagado.

Sétima. La Compañía fijará los dias para la salida y arribo de los puertos de Mazatlan, Guaymas, La Paz y San Francisco, correspondientes á la primera línea; é igualmente los de la segunda línea, de los de Acapulco, San Blas, Manzanillo y Mazatlan.

Octava. En consideracion al largo tiempo que debe trascurrir antes que la Compañía reciba beneficio alguno de esta empresa, solicita del Supremo Gobierno que sus dos

líneas de vapores sean libres del derecho de toneladas y fardo, como tambien de todo impuesto local en los diferentes puertos de México donde entren, con excepcion del de práctico en aquellos que los haya establecidos, y que el carbon y provisiones que sean importados para uso de las líneas, estén del mismo modo, libres de todo impuesto y derecho.

Novena. Siempre y quando el Gobierno lo considere necesario, puede mandar visitar los vapores de la Compañía, para asegurarse de que se hallan en buen estado; y esta visita, si quiere praticarse en San Francisco, lo hará el cónsul mexicano por cuenta de la Compañía. Los vapores de las dos líneas tendrán derecho de cargar y descargar, inmediatamente despues de que fondeen.

Décima. Si por causa de mal tiempo ó fuerza mayor, los vapores no pudiesen entrar y descargar en alguno de los puertos de su carrera, pide que de ninguna manera sean obligados á ello, y que la Mala, pasajeros y carga, sean desembarcados en el viaje próximo, sin tener nadie derecho á reclamacion alguna contra la Compañía ó sus vapores por esta causa. Los pasajeros, en este caso, quedarán á bordo durante el viaje redondo, sin hacerles cargo alguno; pero si faltara en su carrera dos viajes consecutivos en alguna de las líneas, sin justificarse que tal detencion fué causada por fuerza mayor, la Compañía tendrá que pagar al Gobierno mexicano una multa de (\$4,000) cuatro mil pesos, y perderá el subsidio correspondiente à dichos viajes.

Undécima. El Supremo Gobierno librarà sus órdenes para que los empleados à quienes corresponda, y en vista de los certificados de haber cumplido los vapores en cada viaje redondo, con la entrega de balijas y con todas las demas obligaciones que le impone este contrato, con cuyos documentos se acreditarà por la Compañía su derecho al subsidio, procederàn à su pago segun se estipula en el artículo 5.º

Duodécima. La Compañía ofrece despachar el primer vapor del puerto de San Francisco á Mazatlan, veinte dias despues de recibir en el primer punto el aviso de la celebracion de este contrato; y cuarenta dias despues, despachará el primer vapor de Mazatlan para Acapulco y puntos intermedios.

Décimatercera. Cada vapor de la Compañía tendrá un médico, una caja quirúrgica y un botiquín surtido con las medicinas necesarias.

Décimacuarta. La Compañía "CALIFORNIA, OREGON & MEXICO," pide al Supremo Gobierno su proteccion en favor de la empresa durante el término de su contrato, y su amparo en todas las concesiones y derechos que adquiriera. Por lo tanto, toda cuestion ó desavenencia que se suscitare tocante á este contrato, será juzgada y ventilada ante los Tribunales mexicanos, sin que dicha Compañía en tales casos pueda alegar otros derechos que los que disfrutaban los ciudadanos mexicanos.

Décimaquinta. La Compañía ofrece recibir á bordo de cada uno de sus vapores, durante el tiempo de este contrato, dos jóvenes mexicanos á eleccion del Gobierno, con el objeto de instruirlos en la ciencia de ingeniero maritimo, navegacion y pilotaje; y se empleará el mayor esmero y eficacia para su enseñanza en estos ramos. Serán tratados con toda consideracion, y tendrán camarote y mesa con los empleados de los buques de su mismo grado, y por supuesto los ascensos que merecieren segun sus adelantos, hasta concluir su carrera. Queda á la voluntad del Gobierno retirarlos y poner otros, cuando lo considere conveniente.

Décimasexta. El Gobierno mexicano se compromete á la aprobacion de este contrato, que será de diez años, contados desde el dia que la otorgue; y serán por el mismo periodo de tiempo obligatorio para ambas partes contratantes, todas las estipulaciones que expresa este convenio. Asimismo se comprometerá durante los expresados diez años, á no dar á ninguna persona ó Compañía que pretendan establecer dichas líneas, iguales ventajas ó mayores que las que ha concedido en este contrato.

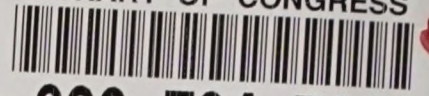
Decimaséptima ó adicional. La Compañía "CALIFORNIA, OREGON & MEXICO," conforme con lo que ofreció al Supremo Gobierno en su ocurno de diez y seis del presente (Diciembre de sesenta y siete), y en lugar de la fianza que debiera otorgar para el aseguramiento de este contrato, cede desde luego en propiedad al Gobierno general, un buque fuerte y bien acondicionado con su arboladura y jarcia en buen esta-

do de uso, así como sus áncoras, amarras y velámen : tendrá dos banderas mexicanas y un gallardete: su máquina será de fuerte potencia, y también en buen estado; y dicho buque, que será cuando menos de mil (1,000) toneladas, estará armado con (4) cuatro piezas largas de á (12) doce, (2) dos carronadas de á (24) veinticuatro, (40) cuarenta fusiles modernos que se cargan por la culata, (40) cuarenta pistolas de cilindro, (50) cincuenta sables y (50) cincuenta picas de abordaje. El buque referido será entregado por la Compañía “CALIFORNIA, OREGON & MEXICO,” en el puerto de Mazatlan, á los sesenta días contados desde el en que salga del puerto de San Francisco de California el primer vapor-correo de la primera línea contratada; en la inteligencia, que de no hacer la entrega de dicho buque en el tiempo que aquí se designa, este contrato quedará anulado y de ningún valor por ese solo hecho.

México, Diciembre 26 de 1867.—En representación de la Compañía “CALIFORNIA, OREGON & MEXICO STEAM SHIP COMPANY,”—*Juan A. Robinson*.—Diciembre 28 de 1867.—Aprobadas las propuestas, comuníquese al interesado y á la Tesorería general para sus efectos.—*Garmendia*.

Secretaría de Estado y del Despacho de Hacienda y Crédito Público.—Sección 5.^a—Hoy digo al ciudadano tesorero general de la nación lo que sigue :—“Habiendo aprobado el Supremo Gobierno las propuestas presentadas por el C. Juan A. Robinson, en representación de la Compañía “CALIFORNIA, OREGON & MEXICO,” para el establecimiento de dos líneas de vapor-correos en el mar Pacífico, se acompañan á vd. las citadas propuestas, por disposición del C. Presidente de la República, á fin de que por esa Tesorería se proceda desde luego á otorgar la escritura correspondiente á este contrato.”—Lo que transcribo á vd. para su conocimiento y efectos consiguientes.—Independencia y Libertad.—México, Diciembre 30 de 1867—*Jose M. Garmendia*.—*C. Juan A. Robinson*, Hotel Iturbide núm. 67.—Presente.

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